

**OFFICE OF THE MISSISSIPPI SECRETARY OF STATE
BUSINESS REGULATION AND ENFORCEMENT DIVISION**

In The Matter Of:)	
)	
ADAM BYRD HILLMAN individually and)	
doing business as INSURANCE SOLUTIONS)	Administrative Proceeding
)	Number: S-06-0396
)	
Respondent)	
)	

CONSENT ORDER

I. JURISDICTION

The Business Regulation and Enforcement Division of the Mississippi Secretary of State's Office (hereinafter "Division") having the authority to administer and to provide for the enforcement of all provisions of the Mississippi Securities Act (hereinafter "Act") and Mississippi Securities Act Rules (hereinafter "Rules"), and ADAM BYRD HILLMAN (hereinafter "Hillman") doing business as INSURANCE SOLUTIONS, Respondent, does hereby enter into this Consent Order in resolution of the following allegations by the Division of violations of certain provisions of the Act and Rules.

II. ALLEGATIONS

A. REGISTERED AND REGULATED PARTIES

1. Adam Byrd Hillman (CRD #2569652) is an agent/representative of Sunset Financial Services, Inc. (CRD #290651) (hereinafter "Sunset"). Hillman was at all times relevant herein a registered representative of Sunset and registered with the Division.

B. EXAMINATION HISTORY

On the morning of September 28, 2006, the Division performed an examination of Hillman's office.

1. Mississippi Securities Act Rule 521 requires all broker/dealers to establish and keep current a set of written supervisory procedures. It further requires that a complete set of such procedures **shall** be kept in all offices located in this state. Hillman had difficulty accessing Sunset's on-line version of its Compliance and Supervisory Procedures Manual. If the supervisory procedures cannot be easily accessed, they cannot be considered "to be kept in all offices located in this state."

2. Hillman did not have proper SIPC signage displayed in his office in accordance with SIPC Bylaws Article 11(b). A violation of the SIPC rules is a violation of Mississippi Securities Act Rule 523(A).

III. APPLICABLE LAW

A. Mississippi Securities Act and Securities Act Rules -

1. Power to Impose Penalty -

Miss. Code Ann. § 75-71-715 provides in pertinent part as follows:

Whenever it appears to the Secretary of State that any person has engaged or is about to engage in any act or practice constituting a violation of any provision of this chapter or any rule or order hereunder, he may, in his discretion, seek any or all of the following remedies:

* * *

(2) (a) *Issue an order in the case of an issuer of registered securities, broker-dealer, investment advisor, agent, investment adviser representative, or other person*

who violated this chapter, imposing an administrative penalty up to a maximum of Twenty-five Thousand Dollars (\$25,000.00) for each offense and each violation shall be considered as a separate offense in a single proceeding or a series of related proceedings; to be paid to the Secretary of State and requiring reimbursement to the Secretary of State for all costs and expenses incurred in the investigation of the violation(s) and in the institution of administrative proceedings, if any, as a result thereof;

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2. Rule 523 sets out the standards of conduct for broker/dealers and their agents.

It provides in pertinent part:

Standards of Conduct: *Each broker/dealer and agent shall observe high standards of commercial honor and just and equitable principles of trade in the conduct of their business. Acts and practices, including, but not limited to, the following, are considered contrary to such standards and may constitute grounds for denial, suspension, or revocation of registration, imposition of fines, or such other action authorized by statute.*

A. Broker/Dealers.

** * **

19. Using any advertising or sales presentation in such a fashion as to be deceptive or misleading. An example of such practice would be a distribution of any nonfactual data, material, or presentation based on conjecture, unfounded or unrealistic claims, or assertions in any brochure, flyer, or display by words, pictures, graphs, or otherwise designed to supplement, detract from, supersede, or defeat the purpose or effect of any prospectus or disclosure;

** * **

23. Violating any laws or rules of the SEC or a national securities exchange or national securities association of which it is a member, or violating any federal or state securities law or any rule or regulation promulgated thereunder.

B. Agents.

* * *

6. Engaging in conduct specified in subsection (A) 1, 2, 3, 4, 5, 6, 8, 11, 12, 16, 17, 18, 19, 23.

3. Mississippi Securities Rule 521 provides in pertinent part:

Supervision: *All broker/dealers shall establish and keep current a set of written supervisory procedures and a system for implementing such procedures which may be reasonably expected to prevent and detect any violations of the Act and rules promulgated thereunder. The procedures shall include the designation by name or title of those persons delegated supervisory responsibility in at least the areas of sales, financial operations, and compliance. A complete set of such procedures and systems shall be kept in all offices located in this state.*

B. Securities Investor Protection Corporation (SIPC) -

SIPC Bylaw Article 11, Section 4, ADVERTISEMENT OF MEMBERSHIP,

Section b. Mandatory Display by Members provides as follows:

Except as provided in (d) below, effective January 1, 1979, each member of SIPC shall continuously display in a prominent place the official symbol (as prescribed in (a)(6) above) at its principal place of business and at each branch office.

III. STIPULATIONS

Respondent, under the terms of this Consent Order and solely for the purpose of resolving the foregoing allegations, stipulates without a hearing to the matters set forth above in Paragraph II and hereby consents to the issuance of this Consent Order and further consents to and agrees to the undertakings contained herein, with no formal administrative hearing and determination of wrongdoing.

Respondent stipulates to the jurisdiction of the Division as to all matters contained herein under the authority of the Act and acknowledges that the issuance of this Consent Order is solely for the purpose of resolving the matters set forth herein.

Further, Respondent consents to and agrees to the undertakings contained herein.

THEREFORE, in consideration of a final resolution of the matters set forth herein, the Division and Respondent hereby agree and stipulate as follows:

1. The Division shall impose a penalty upon the Respondent Hillman in the amount of Five Hundred Dollars (\$500.00). Respondent shall remit payment to the Division, payable to the "Mississippi Secretary of State" upon execution of this Order.
2. Respondent agrees that he will comply with the provisions of the Mississippi Securities Act as currently in effect or as may be subsequently amended.
3. This Consent Order is in resolution of the matters contained herein. As a result of this Consent Order, the matters contained herein cannot be used as a basis for action by the Division except in determining any penalty as may be imposed by the Division for any future violations of the Act committed by the Respondent.

In the event Respondent fails or neglects to comply with any of the terms, stipulations or undertakings set forth in this Consent Order, the Division may, without notice to the Respondent, unilaterally rescind this Order and institute any legal or administrative proceedings it deems appropriate including, but not limited to, proceedings to address the matters set forth herein.

IV. ACKNOWLEDGEMENT

Respondent hereby acknowledges that he has read this Order in its entirety and fully understands the terms, and his rights and obligations contained herein.

ISSUED, this the 21 day of May, 2007.

ERIC CLARK
Secretary of State

BY:



JAMES O. NELSON, II
Assistant Secretary of State
Business Regulation and Enforcement

**ADAM BYRD HILLMAN, Individually and doing
Business as INSURANCE SOLUTIONS**



Date: 6/15/07

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